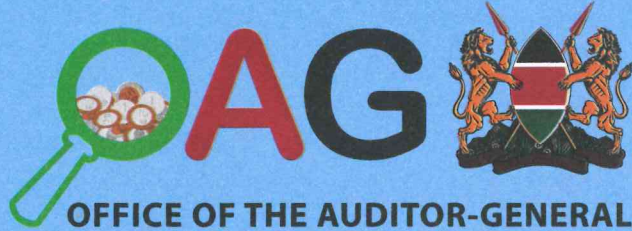


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

**NORTH RIFT VALLEY WATER WORKS
DEVELOPMENT AGENCY**

**FOR THE YEAR ENDED
30 JUNE, 2023**



Enhanced Access to Safe Water

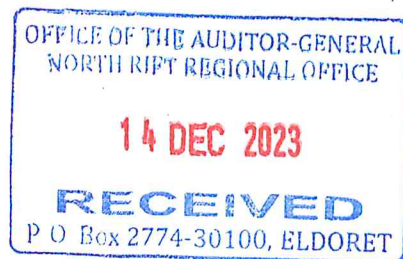
NORTH RIFT VALLEY WATER WORKS DEVELOPMENT AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

**Prepared in accordance with the Accrual Basis of Accounting Method under the International Public
Sector Accounting Standards (IPSAS)**



**North Rift Valley Water Works Development Agency
Annual Report and Financial Statements
for the year ended June 30, 2023.**

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor
NRVWDA	North Rift Valley Water Works Development Agency

B: Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation

Comparative Year- Means the prior period.

2. Key Agency Information and Management

(a) Background information

North Rift Valley Water Works Development Agency (NRVWWDA) is one of the nine (9) Water Works Development Agencies under the Ministry of Water, Sanitation and Irrigation (MoWSI). It was established *vide* Kenya Gazette Supplement No. 5 of 7th February 2020 pursuant to the Water Act No. 43 of 2016. The Agency offices are located in Eldoret town.

The Agency covers the counties of Uasin Gishu, West Pokot, Turkana and Elgeyo-Marakwet with a total population of approximately 3.2 Million and an area of approximately 83,000 km² as per 2019 National Census. It was carved from the former Rift Valley Water Works Development Agency (*West Pokot, Turkana and Elgeyo-Marakwet counties*) and Lake Victoria North Water Works Development Agency (*Uasin Gishu County*). The Agency was operationalized by the Ministry of Water, Sanitation and Irrigation through the deployment of staff on 15th July 2020.

(b) Principal Activities

NRVWWDA is responsible for efficient and economical provision of water and sanitation services within its area of jurisdiction as mandated by Section 68 of the Water Act 2016.

The specific functions of NRVWWDA are as outlined below:

- a. Undertake the development, maintenance and management of the national public water works within its area of jurisdiction.
- b. Operate the waterworks and provide water services as a water service provider, until such a time as responsibility for the operation and management of the waterworks are handed over to a county government, joint committee, authority of county governments or water services provider within whose area of jurisdiction or supply the waterworks is located.
- c. Provide reserve capacity for purposes of providing water services where pursuant to section 103, the Regulatory Board orders the transfer of water services functions from a defaulting water services provider to another licensee.
- d. Provide technical services and capacity building to such county governments and water services providers within its area as may be requested.
- e. Provide to the Cabinet Secretary technical support in the discharge of his or her functions under the Constitution and the water Act 2016.

a) Vision Statement

Sustainable water and sanitation infrastructure for the residents in our area of jurisdiction.

b) Mission Statement

Develop, manage and maintain sustainable water and sanitation facilities and capacity build Water Service Providers and County Governments for enhanced livelihoods and economic development in our area of jurisdiction.

c) Core values

Integrity: We are committed to acting in honest, accountable and transparent manner in all our undertakings.

Professionalism: We are committed to the highest level of competency and pertinent skills in all our endeavours.

Teamwork: We are committed to consult and pull our efforts for enhanced service delivery.

Inclusivity: The Agency will involve all stakeholders and discharge its mandate without discrimination

Sustainable development: The Agency will pursue development that satisfies the needs of the present generation without compromising the capacity of future generations, guaranteeing balance between economic development, care for the environment and social wellbeing.

(c) Key Management

The Agency's day-to-day management is under the following key organs:

No.	Designation	Name
1.	Board of Directors	Prof. John Krop Lonyangapuo
2.	Chief Executive Officer	Edwin Rotich
3.	Ag General Manager Technical Services	Eng. Christopher Bwire
4.	Manager Supply Chain	Mark Kanda

Key Agency Information and Management (continued)

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Edwin C. Rotich
2.	Head of Human Resources & Admin.	Mr. Sammy Kigen
3.	Head of Technical Services	Eng. Christopher Bwire
4.	Head of Finance	CPA Titus Chesire
5.	Head of Procurement	Mark Kanda

(e) Fiduciary Oversight Arrangements

Ministry of Water, Sanitation and Irrigation- Reviews the budget approved by the Board of Directors in order to ensure that the Government strategic objectives and policies are incorporated.

Public Investment Committee - The Committee ensures that there is value for money for all projects undertaken by the Board.

State Corporations Advisory Committee (SCAC) - The Committee is mandated to advise the board on the general administration issues.

Inspectorate of State Corporations- Evaluates the results of the board based on the agreed performance targets.

Board of Directors; - Overall oversight and direction of all the board activities, the following are committees of the Board;

- i. Finance and Administration Committee, whose main duties are: - to review financial statements and annual budgets; Financial performance; Strategic planning and annual performance reviews.
- ii. Corporate Affairs Committee, whose main duties include oversee legal matters, ICT, Corporate performance and Corporate communication

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- iii. Risk & Audit Committee, whose main duty is to ensure that the systems of internal control are effected to mitigate on risks.
- iv. Technical Services Committee, whose focus is on issues arising from the Agency's stewardship of essential water and sanitation infrastructure. The committee is also tasked to ensure environment and social safeguards are adhered to during planning and development of water and sanitation infrastructure.

Development partner oversight activities ;- for projects funded by external development partners, quarterly reports are submitted. The funds are audited by external auditors appointed by the Development Partners on an annual basis.

(f) Agency Headquarters

Office of the Auditor General (OAG) Building (2nd Floor),
Furfural Road, Opposite Public Works (Mechanical Division), Eldoret-Kenya.
P. O. Box 1012-30100, Eldoret.

(g) Agency Contacts

Tel. 0700 347 896/ 0753 347 896

Email: info@nrwwda.go.ke, ceo.nrwwda@gmail.com

Website: www.nrwwda.go.ke

Key Agency Information and Management (continued)

(h) Agency Bankers

Kenya Commercial Bank

Eldoret Main Branch

P.O Box 560-30100

Eldoret.

Cooperative Bank of Kenya

Eldoret Main Branch

P.O Box 2948-30100

Eldoret.

(i) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100




Nairobi, Kenya

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(j) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. The Board of Directors/Council

<p>1. Prof. John Krop Lonyangapuo - (10 December 1964) - Chairman, NRVWDA</p> <p>The President of the Republic of Kenya appointed Prof John Lonyangapuo as the Board’s Chairman in March 2023 as Non- Executive Board Chair of North Rift Valley Water Works Development Agency. He is a professor of applied Mathematics. He is the former Governor of West Pokot County. He is also a former Permanent Secretary for Ministry of Industrialization.</p>	
<p>2. Margaret C. Sang Kirui (Born 14/03/1956).</p> <p>She was appointed on 4th December 2020 by the Cabinet Secretary Ministry of Water, Sanitation and Irrigation as Non- Executive Board of Director of North Rift Valley Water Works Development Agency. She holds a Bachelor of Arts in Sociology from Moi university. Has vast experience in strategic management having worked in Moi Teaching and Referral Hospital College of Health Science as an Administrator. She is the chairperson of Corporate Affairs committee and also a member of Audit and Risk Committee.</p>	
<p>3. Reuben Tuei (Born 30/8/1965)</p> <p>He was appointed by the Cabinet Secretary Ministry of Water, Sanitation and Irrigation as Non- Executive Board of Director of North Rift Valley Water Works Development Agency on 5th August 2022. He has a Degree in Civil Engineering and Environment from University of Nairobi</p> <p>He has over twenty five years experience working in the water sector in various provinces in Kenya namely: Eastern, Coast, Western, Nyanza and Nairobi as detailed below. I have also worked as an Assistant Resident Engineer in two large projects (Kirandich River Dam and Sabaki Boreholes). He is the former Managing Director of Eldoret Water and Sanitation Company (ELDOWAS). He is the chairman of the Technical Services Committee</p>	

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4. Irene Lorot (Born 01/07/1982)

She was appointed by the Cabinet Secretary Ministry of Water, Sanitation and Irrigation as Non- Executive Board of Director of North Rift Valley Water Works Development Agency on 5th August 2022. She has a Master of Business Administration (Project Management) from Kenyatta University. She has a vast experience in the banking sector a Customer Service Executive Team Leader. She is the chairperson of Corporate Affairs Committee



5. Christopher Eporom Ekuwom (Born 22/09/1972)

He was appointed on 4th December 2020 by the Cabinet Secretary Ministry of Water, Sanitation and Irrigation as Non-Executive Director of North Rift Valley Water Works Development Agency. He holds a bachelor's degree in sociology and master's degree in business administration. He was formerly a County Executive Committee Member of Agriculture, Pastoral Economy and Fisheries in Turkana County. He has also previously worked with OXFAM Great Britain as project coordinator in ASAL areas. He is the chair of Audit and Risk Committee and also a member to Corporate Affairs Committee.



4. Victor Marege

Alternate Director to the Cabinet Secretary National Treasury. He holds a bachelor's of Arts Degree (Economics and Political Science) from Jomo Kenyatta University of Agriculture and Technology. He serves as an Assistant Director, Supply Chain Management Services at the Public Procurement Department of the National Treasury, He has over 15years experience in supply chain management. He sits in the Finance and Administration Committee and Audit and Risk Committee



5. Eng. Patricia Kiarie

Alternate Director to the Principal Secretary, state department of Water, Sanitation.

She holds a Master of Engineering (M.Eng.) in Energy and Environmental Management from University of Flensburg, Germany.

She is the Deputy Director Operations and coordination and Coordinator for Japan International Cooperation Agency (JICA) at the Ministry. Has over 15years experience in water and sanitation projects.

She sits in the Finance and Administration Committee, Technical Committee and Corporate Affairs Committee.



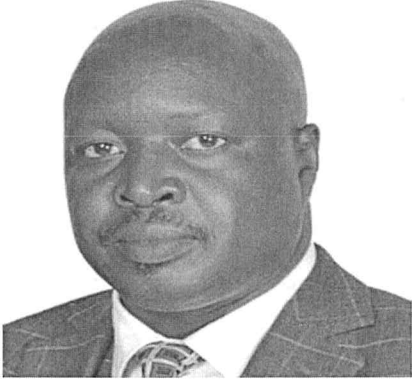
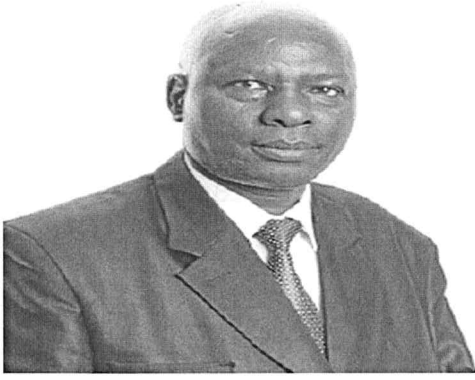
6. Edwin C. Rotich (Born 15th January 1978)




Mr. Rotich was appointed Chief Executive Officer for the Agency in May 2022. He holds a Master of Business Administration degree from the University of Manchester and a Bachelor of Commerce Degree (Accounting Option) First Class Honours, from Kenyatta University.

He has served as a member of the County Executive Audit Committee, County Government of Elgeyo Marakwet. He has previously served in the Boards of the Retirement Benefits Authority and the Agricultural Finance Corporation, and held senior management roles in Relief International (Somalia), War Child Holland (South Sudan), Inter-Church Organization for Development Cooperation (Sudan) and World Vision Kenya.



4. Key Management Team

1.	 <p>Edwin C. Rotich - He holds a Master of Business Administration degree from the University of Manchester and a Bachelor of Commerce Degree (Accounting Option) First Class Honours, from Kenyatta University. He is also a member of Institute of Certified Public Accountants of Kenya (ICPAK)</p>	Chief Executive Officer
2.	 <p>Sammy Kipkorir- Holder of Bachelor Arts Antropology and Government, Post Graduate Diploma in Human Resources Management. Member of Institute of Human Resources Management.</p>	Head of Human Resources & Administration

<p>3.</p>	 <p>Eng. Christopher Bwire-Holds a Masters Degree in civil Engineering, Bachelors Degree in Civil Engineering. He is member of Engineers Board of Kenya</p>	<p>Head of Technical Department</p>
<p>4.</p>	 <p>CPA Titus Chesire- Holds a Bachelor of Arts Degree in Economics and a Certified Public Accountant of Kenya(CPA-K). He is also a member of Institute of Certified Public Accountants of Kenya (ICPAK)</p>	<p>Head of Finance</p>
<p>5.</p>	 <p>Mark Kanda- holds a Masters in Procurement and Logistics and a Degree in Bachelors of Business Management Supply Chain Management option. He is a member of Kenya Institute of Supply Chain Management.</p>	<p>Head of Procurement</p>

5. Chairman's Statement



North Rift Valley Water Works Development Agency (NRVWDA) is one of the nine (9) Water Works Development Agencies under the Ministry of Water, Sanitation and Irrigation (MoWSI). It was established *vide* Kenya Gazette Supplement No. 5 of 7th February 2020 pursuant to the Water Act No. 43 of 2016.

The Agency covers the counties of Uasin Gishu, West Pokot, Turkana and Elgeyo-Marakwet with a total population of approximately 3.2 Million and an area of approximately 83,000 km² as per 2019 National Census. The projections of population growth and urbanisation indicate that by the year 2030 the urban population will have tremendously increased and hence putting a huge strain on water supply, demand and the resource itself. The drought experienced in the past years in many parts of Kenya and the projections of climate change and their potential impacts, should be a lesson to us that development of water resilience systems is fundamental to achieving the SDG goals. The foregoing situation is partly driven by inadequate investments which are not in tandem with rapid population growth, system inefficiencies and tariffs that do not cover full costs. The need for increasing blended financing and efficiency of the sector cannot be overemphasized, on the road to the realisation of the Vision 2030 goal of universal access to water.

A new team of Board of Directors was appointed during the year and the Board is now fully constituted and is composed of persons with diverse backgrounds each bringing in unique skills and experience to help in providing leadership to the Agency. Good governance and sustainable

development are at the centre of national values and principles of governance in our constitution. The Board of Management and Staff of NRVWWDA is guided by this principle in administering the law to guarantee human dignity, equity, social justice, inclusiveness and non-discrimination in its area of jurisdiction.

In further ensuring that the Board aligns itself with the tools to ensure proper oversight and leadership requirement of an effective board, the Board formed three committees with each looking at sectoral issues and make recommendations to the entire board for final approval. The Board committees have been structured to function independently from each other and are provided with sufficient authority, resources, and assigned responsibilities in assisting the entire board in meeting its oversight responsibility. In addition, the Agency developed and issued necessary governance tools necessary for the board and management to use as they as they execute their mandates.

The Agency has developed a strategic plan with a key goal of ensuring development of sustainable water and sanitation infrastructure for efficient delivery of water services. This will be achieved by ensuring value for money for the investment towards increased access to water and sanitation through use of right technology, research, innovation, leadership and governance. The board of directors and management of the Agency will continue to oversee the implementation of our strategic plan (2022-2026) in order to achieve all our goals as envisaged in the plan. The year 2024 is the mid-point for the NRVWWDA 2022-2026, so the mid-term review is instrumental in assessing progress on implementation and challenges encountered, and in providing strategic recommendations for the way forward. This will enable the Board to reflect on what worked well and what did not work and to identify corrective and accelerating measures that should be put in place.

The Agency has set it targets on accelerating access to water so as to conform to the demands and provisions of the Sustainable Development Goals (SDGs), Kenya's Vision 2030 and the country's Big Four Agenda. The Agency will do this by addressing the aging networks and upgrading the water and sewerage systems and construction of new projects. And In order to fill the water and sanitation coverage gaps, there is need to mobilize adequate financial and human resources. These resources will be mobilized from government grants, development partner grants and loans.

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The Agency will continue to consult regularly with all stakeholders including consumers, community leaders, the public, water service providers, development partners, sister water agencies, experts, national and county governments, with regard to development and management of projects.

We recognize our stakeholders as integral participants in the long-term planning and implementation of solution-oriented initiatives. We commit to continue with rigorous stakeholder engagement processes based on principles of inclusivity, accessibility, transparency and positive contribution. I consider each interaction as an opportunity to share ideas that will improve business results, and transform people's lives. We strive to be a positive corporate partner to the communities and the stakeholders we serve.

On behalf of the Board of Directors, I wish to acknowledge the support in policy guidance and resources by the National Government through the Ministry of Water, Sanitation and Irrigation and other government Agencies, the County Governments of Uasin Gishu, West Pokot, Turkana and Elgeyo Marakwet and Water Service Providers for their cooperation and support.

While the future is bright, the task ahead is huge and the challenges numerous. I must, however, say that each new day offers us a chance to work together, pursue new opportunities and improve upon the past.

Thank You.



**Prof. John Krop Lonyangapuo
Chairman of the Board of Directors
North Rift Valley Water Works Development Agency**

6. Report of the Chief Executive Officer



North Rift Valley Water Works Development Agency (NRVWDA) continues to demonstrate a positive progress on investments undertaken in an effort to increase access to clean water and sanitation services in its area of jurisdiction.

The enactment of the Water Act 2016 which repealed the Water Act 2002 has brought a raft of changes in the sector and furthermore, the Ministry of Water, Sanitation and Irrigation has prepared the Draft Water Act Amendments Bill 2023 and the Water Sector Regulations 2021 in collaboration with Various Water Sector Actors. The principal objective of the Amendment Bill is to amend the Water Act to consolidate provisions on Governance in line with Mwongozo code of conduct and to strengthen the legal framework governing water resources in the country.

The Agency has received budgetary allocation from the ministry for recurrent and for implementation of various water projects under various programs which have been acted upon through design and procurement of contractors. The projects are at various levels of implementation. As a result of the support received from the Ministry, the Agency has registered several milestones and significant progress on investments in water and sanitation in an effort to increase access to clean water and sanitation services in its area of jurisdiction.

The Agency will continue to collaborate with stake holders through courtesy calls to, and meetings with county governments, county commissioners and water service providers with a view of ensuring

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seamless working relationships. The Agency has aligned its Strategic Plan to the national development agenda as espoused in the Constitution of Kenya 2010, Kenya's Vision 2030, MTP III, the Big - Four Agenda, SDGs, Agenda 2063 as well as other national and international priorities. NRVWDA will implement its mandate and accelerate the development, maintenance and management of the water and sanitation infrastructure in line with national and international priorities and the Water Act 2016.

Our sincere gratitude is to the Government of Kenya (GoK) through the Ministry of Water & Sanitation and Irrigation, and the National Treasury, for policy direction and guidance, and provision of funds and other resources for operations; the Development Partners: Africa Development Bank (AfDB), and other Donors who have supported us in fulfilling the promises made to the Citizens of the Republic of Kenya in developing water and sanitation infrastructure. It is our sincere hope that they keep walking with us in our current Development Plan Period 2022-2026.

I want to specifically thank the Chairman and Board of Directors for giving strategic direction of the Agency. My appreciation also goes to all Agency Staff for their contributions and tireless efforts towards ensuring proper take - off and establishment of a solid foundation for the Agency

We look forward to stronger linkages, continued collaborations, support and partnerships with all our stakeholders as the Agency implements programs and activities lined up in this Strategic Plan so as to realize our goals and objectives of developing sustainable water and sanitation infrastructure that positively contributes to improved quality of life to our customers and the Kenyan citizens.

I also wish to thank the County Governments, Water Service Providers and all our stakeholders for the support you offered to the Agency during this financial year.

I look forward to continue working with you all in the next financial year and beyond in the delivery of our mandate.



**CPA Edwin C. Rotich
Chief Executive Officer
North Rift Valley Water Works Development Agency**

7. Statement of Performance against Predetermined Objectives for FY 2022/2023

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government Agency’s performance against predetermined objectives.

The Agency has five (5) strategic pillars and objectives within the current Strategic Plan for the FY 2022 to FY 2026. These strategic pillars/ themes/ issues are as follows:

Pillar 1: increase water coverage from 52% to 80% by 2026;

Pillar 2: increase sanitation coverage (sewerage from 3% to 18%) and sanitation from (62% to 82%) by 2026;

Pillar 3: institutional development through adequate qualified staff, improved work environment, operational efficiency, enhanced corporate image and enhanced corporate governance;

Pillar 4: financial sustainability by mobilizing 75 Billion and diversification of funds by 2026;

Pillar 5: Collaboration with four (4) number County Governments and five (5) number Water Service Providers.

The Agency’s annual work plans are based on the above five (5) pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis.

The Agency’s performance against predetermined objectives for FY 2021/2022 period is as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Water coverage	increase water coverage from 52% to 80% by 2026	Number of water projects constructed	Design water projects Procure contractors Construct water projects	The Agency constructed several water projects which include Rukuini, Chepareria, flax, Tulwet, Kosich, Tot, Moiben Kuserwo water projects. This projects have been included in the performance contract for the financial year.
Sewerage and Sanitation coverage	increase sanitation coverage (sewerage from 3% to 18%) and sanitation from	Number of sewerage and sanitation facilities constructed	Design sewerage and sanitation projects Procure contractors Construct sewerage and sanitation projects	Carried out appraisals for various projects, Chepareria, Makutano and Eldoret last mile projects are ongoing. The projects are being implemented by central Rift

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Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
	(62% to 82%) by 2026			Valley Water Works Development Agency on behalf of NRVWWDA
Institutional Development	institutional development through adequate qualified staff, improved work environment, operational efficiency, enhanced corporate image and enhanced corporate governance;	Increased Productivity	Acquired laptops for Board of Directors. The Agency received desktops from CRVWWDA as part of institutional support Human Resource Instruments were approved during the financial year.	Acquired laptops for Board of Directors. The Agency received desktops from CRVWWDA as part of institutional support. Human Resource Instruments were approved during the financial year. A target on productivity has been included in the performance contract
Financial Sustainability	financial sustainability by mobilizing 75 Billion and diversification of funds by 2026	Financial stability	Participate in budget making processes Undertake proposals and designs for submission to donors	The Agency received Kshs.65,000,000 allocations for recurrent and Kshs.230,250,000 for development. Target on absorption of the allocated funds has been allocated in the performance contract.
Collaboration with four (4) number County Governments and five (5) number Water Service Providers	To enhance water and sanitation provision in the area of jurisdiction	Increased access to water and sanitation services	Develop framework for engagements, undertake trainings, carry out GIS mapping for Non Revenue Water	Seamless implementation of projects. Target on enhancement of collaboration between the two levels of government has been included in the performance contract

8. Corporate Governance Statement

North Rift Valley Water Works Development Agency Board is committed to the values and principles of good corporate governance. The Board of Directors and Management of the Agency regard corporate governance key to the success of the Agency and are committed to ensuring that the Agency adheres to the highest standards of conduct and accountability in accordance with the best practice and principles of corporate governance. These principles are applied throughout all levels of the Agency.

In the financial year under review, we continued to maintain high levels of corporate governance by focusing on the following areas:

- Developed and launched our strategic plan which will run to the year 2026 for the long-term prosperity of the Agency;
- Continually enforced internationally recognised accounting principles;
- Focused on clearly defined Board and management duties and responsibilities;
- Enhancing directors' competencies through corporate governance training
- Ensuring compliance with relevant laws and upholding the highest levels of integrity in the organization's culture and practices.

Board charter

The Board Charter is critical to the Agency's governance framework, and offers guidance on matters including but not limited to the following;

- The separation of the roles, functions, responsibilities and powers of the Board and its individual members;²
- Powers delegated to the Board committees;
- Matters reserved for final decision-making and approval by the Board;
- Policies and practices of the Board on matters of corporate governance, directors' declarations and conflict of interest, conduct of Board and Board committee meetings;
- Board Induction

The role and responsibilities of the Board

The Board of Directors provides leadership through oversight, review and guidance whilst setting the strategic direction for the organization. It is the primary decision-making body for all matters considered as material to the Agency. The Board has a formal schedule of matters reserved for it. The Directors receive appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational, compliance and governance matters. Ultimately, the Board determines the organization's strategic objectives, values, key policies and procedures in accordance with best practice. The Board has delegated the authority for day-to-day management of the organization to the Chief Executive Officer. However, it maintains overall responsibility for the Agency's performance, compliance functions as well as monitoring of its operations and ensuring competent management of the business.

Composition of the Board of Directors

The Board of Directors comprised of eight (8) members; the Chairman who is a non-executive director, and four non-executive independent directors and three directors from government representing the Principal Secretary for Ministry of Water, Sanitation and Irrigation, the National Treasury and Inspectorate of state corporations. The Chief Executive Officer is the Secretary to the Board and its committees. The Board has an appropriate balance of skills, knowledge and experience to perform its role effectively. All directors are subject to periodic re-appointment in accordance with the State Corporations Act, the Office of the President and the Ministry of Water, Sanitation and Irrigation.

Induction and on-going development

On appointment, the directors were inducted and the induction programme included specific sessions with the management across the units for clarity and better understanding of the organizations' functions, roles and accountabilities, business model and operations.

The directors were sensitized on the legal, regulatory and other obligations of a director of a State Corporation. During the year the Board attended corporate governance audit as well as audit training.

Board Committees

In line with guidelines issued by the Government, the board has delegated its authority to committees to deal with specific aspects of its responsibilities. These committees have specific terms of reference and reports to the full Board meeting. NRVWDA has the following Board committees: -

i. Finance and Administration Committee

Its main duties are: - to review financial statements, annual budgets, Procurement Plan and periodic review of staff remuneration and terms of service; appointments and disciplinary actions for senior staff; and general welfare of the Board's employees.

S.NO	NAME OF DIRECTOR	TOTAL NUMBER OF MEETINGS	MEETINGS ATTENDED
1.	ISAAC MAIYO	4	1
2.	ENG.PATRICIA KIARIE	4	1
3.	VICTOR O. MAREGE	4	4
4.	MARGARET SANG	4	3
5.	CHRISTOPHER E. EKWOM	4	3

ii. Technical Committee

Its main duties include issues arising from the Agency's stewardship of essential water and sanitation infrastructure and has a duty of reviewing the conditions and performance of technical assets including projects. The committee is also tasked with safeguarding the environment and ensuring stakeholder engagements during implementation of projects.

S.NO	NAME OF DIRECTOR	TOTAL NUMBER OF MEETINGS	MEETINGS ATTENDED
1.	ISAAC MAIYO	4	1
2.	ENG PATRICIA KIARIE	4	4
3.	CHRISTOPHER E. EKWOM	4	3
4.	MARGARET SANG	4	3

iii. Corporate Affairs Committee

Its main duties include oversee legal matters, ICT and Corporate performance and Corporate communication

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SNO	NAME OF DIRECTOR	TOTAL NUMBER OF MEETINGS	MEETINGS ATTENDED
1.	MARGARET SANG	4	1
2.	ENG.PATRICIA KIARIE	4	4
3.	CHRISTOPHER EKWOM	4	1
4.	IRENE CHEBET LOROT	4	3
5.	REUBEN K. TUEI	4	3

iv. Audit and Risk Committee

The committee is responsible for assisting the Board of Directors in fulfilling its oversight responsibilities in relation to governance matters.

SNO.	NAME OF DIRECTOR	TOTAL NUMBER OF MEETINGS	MEETINGS ATTENDED
1.	CHRISTOPHER EPORON EKWOM	4	1
2.	MARGARET SANG	4	1
3.	VICTOR O. MAREGE	4	4
4.	REUBEN K. TUEI	4	3
5.	IRENE CHEBET LOROT	4	3

v. Full Board Meetings

SNO.	NAME OF DIRECTOR	TOTAL NUMBER OF MEETINGS	MEETINGS ATTENDED
1.	CHRISTOPHER EPORON EKWOM	6	6
2.	DAVID CHEMWENO	6	4
3.	MARGARET SANG	6	6
4.	ISAAC MAIYO	6	1
5.	VICTOR O. MAREGE	6	6
6.	FESTUS MARANGU	6	6
7.	ENG.PATRICIA KIARIE	6	4
8.	IRENE CHEBET LOROT	6	4
9.	REUBEN K. TUEI	6	5
10.	PROF. JOHN LONYANGAPUO	6	1

9. Management Discussion and Analysis

Financial Performance

The Agency received an allocation of shillings sixty five million (Kshs.65,000,000) for the financial year 2022-23 for recurrent expenditures. In addition, it received Kshs.40,250,000 Ministry of Water, Sanitation and Irrigation for construction of rural water projects and shillings ninety million (Kshs.90,000,000) received under development for Soy Kosachei and Moisbridge matunda. From the recurrent amount of Kshs.65,000,000 the Agency spent Kshs.21,467,577 under Use of Good and Services against a budget of Kshs.21,315,700, Kshs.14,123,576 for Board Expenses against a budget of Kshs.13,472,100 Kshs.1,557,695 for repairs and maintenance against a budget of Kshs.18,210,500 and Kshs.12,001,700 for employee cost against a budget of Kshs.12,390,512

The Agency also continued to receive support from Ministry of Water Sanitation and Irrigation, Lake Victoria North Water Works Development Agency, Central Rift Valley Water Works Development Agency and Athi Water Works Development Agency through the payment of salaries for the seconded staff. The cost of the salaries amounted to Kshs.5,510,998 for ministry staff, Ksh.4,262,821 for Central Rift Valley Water works development Agency staff, Kshs.8,864,935 from Lake Victoria North Water Works Development Agency and Kshs.204,900 from Athi Water Works Development Agency.

Key Projects

The Agency received Kshs.90,000,000 under development for Soy Kosachei water supply project and Moisbridge Matunda water supply project and Kshs.40,250,000 to implement various projects which include Liter, Chepchor, Kopeto, Nakwamekwi, Kamoret, Tot, Chemurgui and Rurigi. There are other projects being implemented by Central Rift Valley Water Works Development Agency on behalf of the Agency. These include Kipkaren Water supply Project, Eldoret Last Mile Sewerage Project, Chepareria Sewerage Project and Kapenguria-Makutano Sewerage Project. The projects are being financed by African Development Bank through Kenya Towns Sustainable Program.

Major Risks

The Agency is faced with the following risks:

- i) Cashflow challenges due to lack of budgetary allocations.
- ii) Delays in receipt of projected revenues
- iii) Inadequate staffing levels
- iv) Inadequate office space
- v) Harsh terrains
- vi) Inadequate office equipment

Compliance with statutory requirements

The regulatory environment remains an area of significance to our operations. NRVWDA continued to ensure compliance with Constitution of Kenya 2010 (CoK 2010), the PFM Act, PFM Act, the State Corporations Act, the Water Act 2016 and all the relevant government circulars as issued from time to time. All the statutory deductions and other requirements were submitted to the relevant authorities in time.

Key challenges

The Agency continued to operate amidst of several challenges including:

1. Lack of adequate budgetary allocations for the financial year.
2. Inadequate staffing levels.
3. Harsh terrains
4. Inadequate office equipment.

Future Developments

During the financial year 2021-2022, the Agency developed and launched its strategic plan for five years upto 2026 which detailed projects that the agency intends to develop. The projects include rehabilitation of existing water supplies, development of new water and sanitation projects in the four counties and carry out institutional strengthening. This requires a budgetary allocation of Kshs.72billion over the five year period.

Material arrears in statutory and other financial obligations

During the financial year the Agency did not have any Material arrears in statutory and other financial obligations.

10. Environmental and Sustainability Reporting

The Agency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the Agency's policies and activities that promote sustainability.

i) Sustainability strategy and profile

In order to ensure sustainability, the Agency has put in place various strategies which include diversification of resource mobilization by preparing and participating in national budgeting process, involvement of public private partnership, engineering procuring, contracting and financing, preparation of bankable project proposals, framework for loan repayments by water services providers, invest in sustainable technologies in water and sanitation programs such as gravity system and green energy. The agency ensures continuous monitoring of abstractions to avoid depletion of water resources, incorporate planting of trees during project implementation.

The Agency while undertaking resource mobilization process considers the prevailing social political and economic environment in the country which include the attractiveness of the financial resources and the repayment conditions.

ii) Environmental performance

The Agency fully adheres to the environmental management and coordination act (EMCA) 1999 which requires the Agency to prepare environmental impact assessment and acquire licence before construction of projects. The Agency ensure the contractors adheres to environmental and social management plan which requires contractors to provide personal protective equipment to staff on site, secure excavations and water dusty areas. The Agency will also require contractors to submit quarterly environmental and safety reports in the prescribed format. The Agency will also ensure Water Service Providers operating sewerage facilities comply with the effluent discharge standards as per Water Resource Authority guidelines. The Agency is developing an environmental policy to guide.

iii) Employee welfare

The Agency human resource and policy manual has an elaborate policy guideline which cover recruitment, placement, training, remuneration, rewards, performance management system and promotion among others.

In implementing this policy, the Agency will put into consideration national diversity, gender and special group while exercising fairness and equity. Under the same human resource policy there are

clear guideline of handling staff welfare issues which include non-discrimination on gender, on account of HIV/AIDS, counselling, drug and substance abuse, care and support. The Agency will comply with Occupational Safety and Health Act of 2007, (OSHA) by installing fire extinguishers, proper cabling of wires and providing enough ventilation on the offices.

iv) Market place practices-

The Agency undertakes the following:

a) Responsible competition practice.

The Agency ensures compliance with Public Procurement and Disposal Act 2015 by undertaking open and competitive tendering while selecting suppliers and contractors by ensuring tenders are advertised in national circulation dailies, evaluations of tenders are done as per criteria set out in the bidding documents, all clarifications are circulated to all bidders.

b) Responsible Supply chain and supplier relations

The Agency ensures that contracts are entered into when funds are available and ensure prompt payments upon inspection of goods, works and services. The Agency will carry out capacity building for bidders on the laws governing procurement processes.

c) Responsible marketing and advertisement

The Agency carries out annual market surveys and submit quarterly reports of all procurement activities to Public Procurement and Regulatory Authority (PPRA).

d) Product stewardship

The Agency will ensure Water Services Providers charge consumers as per approved tariff by Water Services Regulatory Board. It will also ensure clean and safe water is distributed to consumers by carrying out frequent water quality tests.

v) Corporate Social Responsibility / Community Engagements

North Rift Valley Water Works Development Agency Corporate recognizes Social Responsibility (CSR) as a vital activity in the Agency. We are therefore committed to the cause of social service and will channel part of our resources and activities to the communities in our area of jurisdiction, thus positively affect the society socially, ethically and also environmentally.

The Agency participated in tree planting exercise for restoration of Kaptagat forest in Elgeyo Marakwet county.

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act 446, require the Directors to prepare financial statements in respect of the, which give a true and fair view of the state of affairs of the Agency at the end of the financial year/period and the operating results of the Agency for that year/period. The Directors are also required to ensure that the Agency keeps proper accounting records which disclose with reasonable accuracy the financial position of the Agency. The Directors are also responsible for safeguarding the assets of the Agency.

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes:

- i. maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii. maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Agency;
- iii. designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- iv. safeguarding the assets of the Agency;
- v. selecting and applying appropriate accounting policies; and
- vi. making accounting estimates that are reasonable in the circumstances.


The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act 2012 and the State Corporations Act. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of Agency's transactions during the financial year ended June 30, 2022, and of the Agency's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's financial statements as well as the adequacy of the systems of internal financial control.

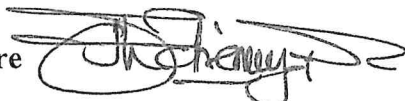
**North Rift Valley Water Works Development Agency
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for the year ended June 30, 2023.**

Nothing has come to the attention of the Directors to indicate that the Agency will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

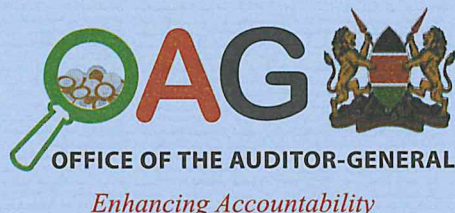
The Agency's financial statements were approved by the Board on 5th September, 2023 and signed on its behalf by:

Signature 
Name Prof. John Lanyangapus
Chairperson of the Board

Signature 
Name EDWIN C. ROTICH
Chief Executive Officer

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NORTH RIFT VALLEY WATER WORKS DEVELOPMENT AGENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of North Rift Valley Water Works Development Agency set out on pages 1 to 73, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison

of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of North Rift Valley Water Works Development Agency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and Water Act, 2016.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the North Rift Valley Water Works Development Agency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final expenditure budget and actual on comparable basis of Kshs.214,603,162 and Kshs.138,039,627 respectively resulting in under-expenditure of Kshs.76,563,535 or 36% of the budget. The underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Other Matter

Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of Risk Management Policy

As previously reported, the Agency operated without a risk management policy contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which requires each Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness of internal controls, risk management and governance could not be confirmed.

2. Lack of Segregation of Duties in the Finance and Accounting Department

Review of records, and as previously reported, revealed that the Finance Manager performed multiple functions including budgeting, processing of payments, receiving and making payments, updating of cash books, updating of general and subsidiary ledgers, preparation of monthly bank reconciliation statements, preparation of quarterly and annual financial statements.

In the circumstances, for the effectiveness of checks and balances and controls could not be confirmed.

3. Lack of Information Communication Technology (ICT) Strategy

As previously reported, the Agency did not have an IT strategic committee, Data Recovery Plan (DRP) and IT security policy that are vital in effective and efficient management of the entity's IT resources. Further, the Agency did not have an IT steering committee which is important in performing oversight function and formulation of policies to ensure that IT department functions effectively and assist in achievement of organizational objectives in an economic, efficient and effective manner. In addition, the Agency did not have periodic IT reports which should be used to assess the status of implementation of IT systems and suggest corrective measures.

In the circumstances, the robustness of the Agency business operations and recovery in case of disaster could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Agency's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Agency or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Agency's financial reporting process, reviewing the effectiveness of how Management monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Agency's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Agency to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Agency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 March, 2024

**North Rift Valley Water Works Development Agency
Annual Report and Financial Statements
for the year ended June 30, 2023.**

14. Statement of Financial Performance for the year ended 30 June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6(b)	124,093,654	192,961,742
Levies, Fines, and penalties	7	-	888,453
Public contributions and donations	8	-	-
Property taxes revenue	9	-	-
Licenses and permits	10	-	-
		124,093,654	193,850,195
Revenue from exchange transactions			
Rendering of services	11	-	-
Sale of goods	12	-	-
Rental revenue from facilities and equipment	13	-	-
Finance income	14	-	-
Other income	15	509,508	-
Total revenue		124,603,162	193,850,195
Expenses			-
Use of goods and services	16	21,467,577	19,028,815
Employee costs	17	31,234,166	31,573,871
Board Expenses	18	14,123,576	13,150,075
Depreciation and amortization expense	19	2041585	2,041,585
Repairs and maintenance	20	1,557,695	3,055,751
Contracted services	21	-	-
Grants and subsidies	22	62,596,896	62,144,242
Finance costs	23	-	-
Total expenses		133,021,495	130,994,339
Other gains/(losses)		-	
Gain/Loss on sale of assets	24	-	-
Gain/Loss on foreign exchange transactions	25	-	-
Gain /Loss on fair value of investments	26	-	-
Impairment loss	27	-	-
Surplus/ (deficit) before tax		(8,418,333)	62,855,856
Taxation	28	-	-
Surplus/(deficit) for the period/year		(8,418,333)	62,855,856
Remission to National Treasury	47	-	-
Net Surplus for the year		(8,418,333)	62,855,856
Attributable to:		-	-
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling Agency		-	-

North Rift Valley Water Works Development Agency
Annual Report and Financial Statements
for the year ended June 30, 2023.

The notes set out on pages 12 to 68 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 11 were signed on behalf of the Board of Directors by:



Name: **EDWIN C ROTICH**
Accounting Officer

Date 1/12/23



Name: **Truus Othman**
Head of Finance

ICPAK M/No: 21106

Date 1/12/2023



Name: **Prof. John Lonyang'oro**
Chairman of the Board

Date 1/12/2023

15. Statement of Financial Position as at 30 June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	29	228,269,576	173,760,318
Receivables from Exchange Transactions	30 (a)	12,024,703	426,000
Receivables from Non-Exchange Transactions	31	-	-
Inventories	32	661,504	-
Investments in financial assets	33	-	-
Total Current Assets		240,955,783	174,186,318
		-	
Non-Current Assets			
Property, Plant and Equipment	34	24,772,663	7,824,531
Investments	33	-	-
Intangible Assets	35	-	-
Investment Property	36	-	-
Receivables from Exchange Transactions	30 (b)	-	-
Total Non- Current Assets		24,772,663	7,824,531
Total Assets		265,728,446	182,010,849
		-	
Liabilities			
Current Liabilities			
Trade and Other Payables	37	5,356,760	4,617,150
Refundable Deposits from Customers	38	-	-
Current Provision	39	-	-
Finance Lease Obligation	40	-	-
Current Portion of Borrowings	43	-	-
Deferred Income	41	-	-
Employee Benefit Obligation	42	1,613,525	217,205
Social Benefits	46	-	-
Taxation	48	-	-
Total Current Liabilities		6,970,285	4,834,355
Non-Current Liabilities			
Non-Current Employee Benefit Obligation	42	-	-
Non-Current Provisions	43	-	-
Borrowings	44	-	-
Service Concession Liability	45	-	-

**North Rift Valley Water Works Development Agency
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for the year ended June 30, 2023.**

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Social Benefits	46	-	-
Deferred Tax Liabilities	49	-	-
Total Non- Current Liabilities		-	-
		-	
Total Liabilities		6,970,285	4,834,355
Net Assets			
Reserves		154,475,158	66,516,743
Accumulated Surplus		104,283,003	110,659,751
Capital Fund			
Total Net Assets		258,758,161	177,176,494
Total Net Assets and Liabilities		265,728,446	182,010,849

The financial statements set out on pages 1 to 11 were signed on behalf of the Board of Directors by:



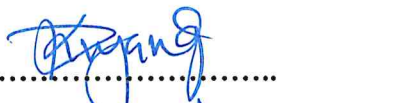
Name **EDWIN C. ROTICH**
Accounting Officer

Date **01/12/2023**



Name **TITUS CHESIRE**
Head of Finance
ICPAK Member

Number: **21106**
Date **1/12/2023**



Name **Prof. John Lang'at**
Chairman of the Board

Date **1/12/2023**

North Rift Valley Water Works Development Agency
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for the year ended June 30, 2023.

16. Statement of Changes in Net Assets for the year ended 30 June 2023

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2021	-	-	-	45,762,310	-	4,882,328	50,644,638
Issued new capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-	-
Surplus/ deficit for the year	-	-	-	62,855,856	-	-	62,855,856
Capital/development grants received during the year	-	-	-	-	-	63,676,000	63,676,000
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	2,041,585	-	(2,041,585)	-
Dividends paid	-	-	-	-	-	-	-
Interim dividends paid	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
As at June 30, 2022	-	-	-	110,659,751	-	66,516,743	177,176,494
As at July 1, 2022	-	-	-	110,659,751	-	66,516,743	177,176,494
Issue of new share capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-	-

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Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Surplus/ (deficit) for the year	-	-	-	(8,418,333)	-	-	(8,418,333)
Capital/development grants received during the year	-	-	-	-	-	90,000,000	90,000,000
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	2,041,585	-	(2,041,585)	-
Dividends paid	-	-	-	-	-	-	-
Interim dividends paid	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
As at June 30, (2023)	-	-	-	104,283,003	-	154,475,158	258,758,161

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17. Statement of Cash Flows for the year ended 30 June 2023

		2022-2023	2021-2022
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6(b)	105,250,000	166,741,000
Levies, Fines, and penalties	7	-	888,453
Public contributions and donations	8	-	-
Property taxes revenue	9	-	-
Licenses and permits	10	-	-
Rendering of services	11	-	-
Sale of goods	12	-	-
Rental revenue from facilities and equipment	13	-	-
Finance income	14	-	-
Other income	15	509,508	-
Total Receipts		105,759,508	167,629,453
Payments			
Use of goods and services	16	22,525,869	21,432,461
Employee costs	17	10,994,192	5,135,924
Board Expenses	18	14,123,576	13,266,075
Repairs and maintenance	20	1,557,695	3,055,751
Contracted services	21	-	-
Grants and subsidies	22	73,059,201	59,979,796
Total Payments		122,260,533	102,870,007
Net cash flows from/(used in) operating activities	45	(16,501,025)	64,759,446
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	34	(18,989,717)	(4,307,788)
Proceeds from sale of property, plant and Equipment		-	-
Decrease/(Increase) in non-current receivables		-	-
Purchase of investments		-	-
Sale of investments		-	-
Net cash flows from/(used in) investing activities		(18,989,717)	(4,307,788)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Proceeds from issue of shares		-	-
Transfer of capital grants from other government entities	6	90,000,000	63,000,000
Increase in capital funds		-	-
Net cash flows from /(used in) financing activities		90,000,000	63,000,000

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		2022-2023	2021-2022
	Notes	Kshs	Kshs
Net increase/(decrease) in cash & Cash equivalents		54,509,258	123,451,658
Cash and cash equivalents at 1 July	28	173,760,318	50,308,660
Cash and cash equivalents at 30 June	28	228,269,576	173,760,318

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18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfer from MoWSI	65,000,000	0	65,000,000	65,000,000	-	100
MOWSI(Rural Water Supply Projects)	102,000,000	(61,750,000)	40,250,000	40,250,000	-	100
Transfer from MoWSI (salaries)	-	5,510,998	5,510,998	5,510,998	-	100
Transfer from CRVWDA(Salaries)	-	4,262,821	4,262,821	4,262,821	-	100
Transfer from LVNWWDA(Salaries)	-	8,864,935	8,864,935	8,864,935	-	100
Transfer from AWWDA(Salaries)	-	204,900	204,900	204,900	-	100
Levies, Fines and Penalties	-	-	-	-	-	-
Public Contributions and Donations	-	-	-	-	-	-
Property Taxes Revenue	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Rendering of Services	-	-	-	-	-	-
Sale of Goods	-	-	-	-	-	-
Rental Revenue from Facilities and Equipment	-	-	-	-	-	-
Finance Income	-	-	-	-	-	-
Agency Income	-	-	-	-	-	-
Other Income	-	509,508	509,508	509,508	-	100
Total Income	167,000,000	(42,396,838)	124,603,162	124,603,162		
Expenses						
Use of Goods and Services	22,253,200	(937,500)	21,315,700	21,467,577	(151,877)	101
Employee costs	26,274,700	4,570,654	30,845,354	31,234,166	(388,812)	101
Remuneration of Directors	13,472,100	-	13,472,100	14,123,576	(651,476)	105
Repairs and Maintenance	3,000,000	15,210,500	18,210,500	1,557,695	16,652,805	9
Contracted Services	-	-	-	-	-	100
Grants and Subsidies	102,000,000	(61,240,492)	40,759,508	62,596,896	(21,837,388)	154
Total Expenditure	167,000,000	(42,396,838)	124,603,162	130,979,910	(6,376,748)	

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	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
Surplus for the period				(6,376,748)		
Capital Expenditure	100,000,000	10,000,000	90,000,000	7,059,717	82,940,283	8

Explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14

- Repairs and Maintenance budget had an absorption of 9% because included in the budget is a cost of Kshs.11,930,000 for procurement of Agency vehicle which is capital in nature and not part of expenses in the income statement.
- Grants and subsidies budget had an absorption of 154% because the Agency did not receive the full disbursements for the projects. The Ministry allocated the Agency Kshs.102,000,000 during the financial year but only disbursed Kshs.40,250,000.

Explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

- Total Revenue: The difference between the original budget revenue and the final budget revenue is that the final budget revenue include Kshs.40,250,000 received from ministry of water, Sanitation and Irrigation for development of water projects in the Agency area of jurisdiction and Kshs.18,843,654 being salary of seconded staff to the Agency paid by the respective institutions they came from.
- Total Expenditure: The difference between the original budget expenses and the final budget expenses is that the final budget expenses include Kshs.40,250,000 relating to expenses for projects whose funds were received from ministry of water, Sanitation and Irrigation for development of water projects in the Agency area of jurisdiction and Kshs.18,843,654 being salary of seconded staff to the Agency paid by the respective institutions they came from. Additionally, there was reallocation of Kshs.11,930,000 to procure Agency vehicle.

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- The Agency also received a development budget of Kshs.90,000,000 but absorbed Kshs.7,059,717 amounting to 8% absorption. This is because the projects were initially transferred to Lake Victoria North Water Works Development Agency but at the end of the financial Year, the disbursements were made to North Rift Valley Water Works Development Agency.

19. Notes to the Financial Statements

1. General Information

North Rift Valley Water Works Development Agency is established by and derives its authority and accountability from water Act 2016. The Agency is wholly owned by the Government of Kenya and is domiciled in Kenya. The Agency's principal activity is develop and maintain water and sanitation infrastructure within its area of jurisdiction.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Agency's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Agency. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Agency's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>The standard does not have impact on the Agency</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p>The standard does not have impact on the Agency</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41,</p>	<p>Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p>

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Standard	Effective date and impact:
Financial Instruments	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>The standard does not have impact on the Agency</p>
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p>The standard does not have impact on the Agency</p>

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Notes to the Financial Statements (Continued)

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The standard does not have impact on the Agency</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. The standard does not have impact on the Agency</p>

- iii. *Early adoption of standards*

The Agency did not early – adopt any new or amended standards in the financial year

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Agency recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Agency and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Agency and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Agency recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Agency.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Agency's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for the Current FY was approved by the National Assembly on January 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of Kshs40,250,000 for Rural Water Supply project on the 2022-23 budget following the governing body's approval.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Budget information (continued)

The Agency's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Agency operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Agency and the same taxation authority.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Agency recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Agency. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Agency also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Agency will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Agency. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Research and development costs

The Agency expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Agency can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Agency does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Agency's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The Agency classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Agency's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Agency has made irrevocable election at initial recognition for particular investments in equity instruments.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

Based on the business model and the cash flow characteristics, the Agency classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The Agency assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Agency recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note xx.

b) Financial liabilities

Classification

The Agency classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Agency.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

k) Provisions

Provisions are recognized when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Agency expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Agency recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Agency will incur in fulfilling the present obligations represented by the liability.

m) Contingent liabilities

The Agency does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

n) Contingent assets

The Agency does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

o) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

p) Changes in accounting policies and estimates

The Agency recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

q) Employee benefits

Retirement benefit plans

The Agency provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

r) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

t) Related parties

The Agency regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Agency, or vice versa. Members of key management are regarded as related parties and comprise the Directors, the CEO and Senior managers.

u) Service concession arrangements

The Agency analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Agency recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Agency also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

w) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

x) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Agency's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the Agency.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Description	2022-2023	2021-2022
	KShs	KShs
Unconditional Grants		
Operational Grant	-	-
Unconditional development grants	-	-
Other Grants	-	-
Total Unconditional Grants	-	-
Conditional Grants amortised/ transferred to revenue		
Housing Development Grant	-	-
Infrastructure Grant	-	-
Library Grant	-	-
Facilities Development Grant	-	-
Other Organizational Grants (specify)	-	-
Total Government Grants And Subsidies	-	-

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of The Agency Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers 2022-2023	2021-2022
	KShs	KShs	KShs	KShs	KShs
i) Ministry of Water, Sanitation and Irrigation	105,250,000	-	90,000,000	200,760,998	235,982,418
ii) Salaries for seconded staff					
Ministry of Water, Sanitation and Irrigation	5,510,998	-	-	4,262,821	6,957,800
Central Rift Valley Water Works Development Agency	4,262,821				
Athi Water Works Development Agency	204,900	-	-	204,900	5,243,356
Lake Victoria North Water Works Development Agency	8,864,935	-	-	8,864,935	8,454,168
Sub total	18,843,654				
TOTAL	124,093,654		90,000,000	214,093,654	256,637,742

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N/B Salaries for seconded staff amounting to Kshs.18,843,654 were paid directly by the Ministry of Water and the respective Agencies. Their services were recognised in the statement of financial performance but this did not involve movement of cash in the cash flow.

7. Levies, Fines and Penalties

Description	2022-2023	2021-2022
	Kshs	Kshs
Fuel Levy	-	-
Other Levies (Specify)	-	-
Fines	-	-
Penalties	-	888,453
Total	-	888,453

8. Public Contributions and Donations

Description	2022-2023	2021-2022
	Kshs	Kshs
Health Donations	-	-
Research Donations	-	-
Donations transferred to revenue on conditions being met.	-	-
Other Public Donations (Specify)	-	-
Total Transfers and Sponsorships	-	-
Reconciliation Of Public Contributions and Donations		
Balance Unspent at Beginning of The Year	-	-
Current Year Receipts	-	-
Conditions Met - Transferred to Revenue	-	-
Conditions To Be Met - Remain Liabilities	-	-

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Notes to the Financial Statements (Continued)

9. Property Taxes Revenue

Description	2022-2023	2021-2022
	KShs	KShs
Taxable Land and Buildings		
Residential	-	-
Commercial	-	-
State	-	-
Penalties	-	-
Sub- Total Property and Taxes	-	-
Income Forgone/ waived	-	-
Total Property Taxes Revenue	-	-

10. Licenses, Fees and Permits

Description	2022-2023	2021-2022
	Kshs	Kshs
Licenses	-	-
Fees	-	-
Permits	-	-
Total	-	-

11. Rendering Of Services

Description	2022-2023	2021-2022
	KShs	KShs
Tuition Fees	-	-
Training Fees	-	-
Health services	-	-
Service Fees (specify)	-	-
Quality Assurance	-	-
Others (specify)	-	-
Total Revenue from The Rendering Of Services	-	-

**North Rift Valley Water Works Development Agency
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Notes to the Financial Statements (Continued)

12. Sale of Goods

Description	2022-2023	2021-2022
	Kshs	Kshs
Sale of goods		
Sale of electricity	-	-
Sale of water	-	-
Sale of books	-	-
Sale of publications	-	-
Other (include in line with your organisation)	-	-
Total revenue from the sale of goods	-	-

13. Rental Revenue from Facilities and Equipment

Description	2022-2023	2021-2022
	Kshs	Kshs
Operating Lease Revenues	-	-
Staff Houses	-	-
Contingent Rentals*	-	-
Total Rentals	-	-

14. Finance Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

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Notes to the Financial Statements (Continued)

15. Other Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Skills development levy	-	-
Agency fee	-	-
Income written back	-	-
Bad debts recovered	-	-
Miscellaneous incomes (interest income)	509,508	-
Total Other income	509,508	-

16. Use of Goods and Services

Description	2022-2023	2021-2022
	KShs	KShs
Electricity	507,954.00	303,666
Water	102,007.00	54,565
Security	-	-
Professional Services	98,000	-
Subscriptions	85,900	47,000
Advertising	-	366,559
Admin Fees	-	-
Audit Fees	750,000	750,000
Conferences and Delegations	964,200	2,940,372
Consulting Fees	-	-
Consumables	-	-
Fuel and Oil	1,796,507	924,196
Insurance	435,548	157,576
Legal Expenses	-	129,200
Licenses and Permits	-	-
Chemicals	-	-
Water Purification Cost	-	-
Postage	237,310	90,010
Printing and Stationery	1,318,104	1,059,623
Hire Charges	-	-
Rent expenses	4,663,200	4,663,200
Security Costs	-	-
Sewage Treatment Costs	-	-
Skills Development Levies	-	-
Inventory Scrapping	-	-

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Description	2022-2023	2021-2022
	KShs	KShs
Telecommunication	1,080,300	1,280,421
Training	864,945	773,314
Travel, Subsistence & Other Allowances*	7,196,633	5,009,870
Bank charges	86,106.00	
Other General Expenses	1,280,863.00	479,243
Total Use of Goods and Services Costs (recognized in the statement of financial performance)	21,467,577.00	19,028,815
Add items in the cashflow but not in the statement of financial performance (Accrued payments for FY 2021-22 paid for in the FY 2022-2023)	1,808,253	
Less items not affecting cashflow statement (Expenses recognized during the financial year but not paid for)	749,961	
Total Use of Goods and Services Costs (recognized in the cashflow statement)	22,525,869	

17. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages Central Rift Valley Water Works Development Agency	4,262,821	6,281,800
Salaries and wages Lake Victoria North Water Works Development Agency	8,864,935	8,454,168
Salaries and wages Athi Water Water Works Development Agency	204,900	5,543,356
Salaries and wages Ministry of Water, Sanitation and Irrigation	5,510,998	6,241,418
Salaries and Wages	10,336,192	3,426,818
Employer contribution to health Insurance Schemes		
Employer contribution to pension schemes	135,000	-
Travel, accommodation, subsistence, & other allowances	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions		-
Gratuity	1,396,320	-
Other employee related costs *	523,000	1,926,311
Employee costs	31,234,166	31,573,871

Other related costs relate to Kshs.335,000 for airtime and Kshs188,000 relating to staff welfare.

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Notes to the Financial Statements (Continued)

18. Board Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Chairman/Directors' Honoraria	960,000	960,000
Sitting Allowances	3,552,000	3,460,000
Medical Insurance	786,200	777,536
Induction and Training	1,898,011	3,131,060
Travel and Accommodation	6,927,365	4,821,479
Other Allowances	-	-
Total	14,123,576	13,150,075

19. Depreciation and Amortization Expense

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, plant and equipment	2,041,585	2,041,585
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	2,041,585	2,041,585

20. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
Property and equipment	37,945	1,477,021
Investment Property	-	-
Equipment and Machinery	-	-
Vehicles	1,347,750	1,578,730
Furniture and Fittings	-	-
Computers and Accessories	-	-
Others-Motor Vehicle tyres and batteries	172,000	-
Total Repairs and Maintenance	1,557,695	3,055,751

The reduction in the cost of repairs is because there were no office partitions during the year as opposed to the previous year.

21. Contracted Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Actuarial Valuations	-	-
Investment Valuations	-	-
Property Valuations	-	-
Others (specify)	-	-
Total Contracted Services	-	-

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Notes to the Financial Statements (Continued)

22. Grants and Subsidies

Description	2022-2023	2021-2022
	Kshs	Kshs
Community Development (Rural Water Supplies Projects)	62,596,896	62,144,242
Education Initiatives and Programs	-	-
Social Development	-	-
Social benefit expenses*	-	-
Community Trust	-	-
Sporting Bodies	-	-
Total Grants and Subsidies recognized in the statement of financial performance	62,596,896	62,144,242
Less items recognized in the statement of financial performance and not in the statement of cashflow (retention recovered during the financial year but not paid by the end of the financial year)	3,186,818	
Add items recognized in the statement of cashflow and not in the statement of financial performance (advance to contractors and retention paid for but had been expensed in the FY 2021-22)	13,649,122	
Total Grants and Subsidies recognized in the statement of cashflow	73,059,200	

23. Finance Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Unwinding of discount on lease liabilities	-	-
Interest on bank overdrafts	-	-
Interest on loans from commercial banks	-	-
Total finance costs	-	-

24. Gain on Sale of Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
	-	-
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
Total gain on sale of assets	-	-

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Notes to the Financial Statements (Continued)

25. Gain/Loss on foreign exchange transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Gain on foreign exchange transactions	-	-
Loss on foreign exchange transactions	-	-
Total Gain/Loss	-	-

26. Gain/ (loss) on Fair Value Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

27. Impairment Loss

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

28. Taxation

Description	2022-2023	2021-2022
	Kshs	Kshs
Current income tax charge	-	-
Tax charged on rental income	-	-
Tax charged on interest income	-	-
Deferred tax: [note 53]	-	-
Original and reversal of temporary differences	-	-
Income tax expense reported in the statement of financial performance	-	-

**North Rift Valley Water Works Development Agency
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Notes to the Financial Statements (Continued)

29. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Account	228,269,576	173,760,318
Savings Account	-	-
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Staff Car Loan/ Mortgage	-	-
Others (Specify)	-	-
Total Cash and Cash Equivalents	228,269,576	173,760,318

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank Revenue Account	1280469625	234,821	2,332,798
Kenya Commercial Bank Recurrent Account	1280469390	6,055,904	1,907,995
Kenya Commercial Bank Development Account	1280469552	169,497,368	169,519,525
Co-operative Bank Rural Water Supply Projects	01141958483700	46,521,315	-
Co-operative Bank Retention Account	01141958483701	4,347,123	-
Co-operative Bank Gratuity Account	01141958483702	1,613,045	-
Sub- Total		228,269,576	173,760,318
b) On Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank – etc.		-	-
Sub- Total		-	-
c) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
d) Staff Car Loan/ Mortgage			
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
e) Others (Specify)			
Cash in Transit		-	-

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Financial Institution	Account number	2022-2023	2021-2022
		Kshs	Kshs
Cash in Hand		-	-
Mobile Money Accounts		-	-
Sub- Total		-	-
Grand Total		228,269,576	173,760,318

**North Rift Valley Water Works Development Agency
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Notes to the Financial Statements (Continued)

30. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	2022-2023	2021-2022
	Kshs	Kshs
Receivables		
Service, Water and Electricity Debtors	12,024,703	426,000
Other Exchange Debtors	-	-
Total Current Receivables	12,024,703	426,000

The debtors relate to Kshs.11,624,703 being advance payments to contractors and Kshs.400,000 being advance to Vivo energies for operating fuel.

(b) Receivables from Exchange Transactions (Long-term)

Description	2022-2023	2021-2022
	Kshs	Kshs
Total receivables	-	-
Service, water and electricity debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	-	-
Current portion transferred to current receivables	-	-
Total non-current receivables	-	-
Total receivables (a+b)	12,024,703	426,000

(c) Ageing analysis for Receivables from exchange transactions

Description	2022-2023		2021-2022	
	Kshs	% of the total	Kshs	% of the total
	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	12,024,703	%	426,000	%
Between 1- 2 years		%	-	%
Between 2-3 years		%	-	%
Over 3 years		%	-	%
Total (a+b)	12,024,703	%	426,000	%

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Notes to the Financial Statements (Continued)

(c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

31. Receivables from Non-Exchange Transactions

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Property tax debtors	-		-	
Levies, fines, and penalties	-		-	
Licences, fees and permits	-		-	
Other debtors (non-exchange transactions)	-		-	
Less: impairment allowance	-		-	
Total receivables from non- exchange transactions	-		-	
Ageing Analysis- Receivables from non-exchange transactions	2022-2023	% of the total	2021-2022	% of the total
Less than 1 year	-	%	-	%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

Description	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

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Notes to the Financial Statements (Continued)

32. Inventories

Description	Description	2022-2023
	Kshs	Kshs
Consumable stores	661,504	-
Medical supplies	-	-
Spare parts and meters	-	-
Water for distribution	-	-
Other goods held for resale	-	-
Catering	-	-
Less: allowance for impairment	-	-
Total inventories at the lower of cost and net realizable value	661,504	-

The inventories relate to the stationaries in the store at the end of the financial year

33. Investments in financial assets

Description	2022-2023	2021-2022
	Kshs	Kshs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b) Investment with Financial Institutions/ Banks	-	-
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c) Equity investments (specify)	-	-
Equity/ shares in Agency	-	-
Sub- total	-	-
Grand total	-	-

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Notes to the Financial Statements (Continued)

a) Movement of Equity Investments

Impairment allowance/ provision	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

b) Shareholding in other entities

Name of Agency where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Current year	Comparative year
	%	%	%	Kshs	Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

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Notes to the Financial Statements (Continued)

34. Property, Plant and Equipment

Cost or Valuation	Furniture office equipment fittings 12.5%	Computer & Accessories 33.3%	Motor Vehicle 25%	Plant, Machinery & Equipment 20%	Water Supply Infrastructure 2.5%	Land and Buildings	Capital Work in Progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Cost or Valuation								
As at July 1, 2021	4,083,500	1,963,800	-	-	-	-	-	6,047,300
Additions at cost	-	2,634,240	-	-	-	-	2,349,548	4,983,788
Disposals	-	-	-	-	-	-	-	-
As at June 30, 2022	4,083,500	4,598,040	-	-	-	-	2,349,548	11,031,088
Depreciation								
Balance as at July 1, 2021	510,437	654,535	-	-	-	-	-	1,164,972
Charge for the period	510,438	1,531,147	-	-	-	-	-	2,041,585
Disposals	-	-	-	-	-	-	-	-
Balance as at June 30, 2022	1,020,875	2,185,682	-	-	-	-	-	3,206,557
Net Book Values as at June 2022	3,062,626	2,412,358	-	-	-	-	2,349,548	7,824,531
Cost or Valuation								
As at July 1, 2022	4,083,500	4,598,040	-	-	-	-	2,349,548	11,031,088
Additions at cost	-	-	11,930,000	-	-	-	7,059,717	18,989,717
Disposals	-	-	-	-	-	-	-	-
As at June 30, 2023	4,083,500	4,598,040	11,930,000	-	-	-	9,409,265	30,020,805
Depreciation								
Balance as at July 1, 2022	1,020,875	2,185,682	-	-	-	-	-	3,206,557
Charge for the period	510,438	1,531,147	-	-	-	-	-	2,041,585
Disposals	-	-	-	-	-	-	-	-
Balance as at June 30, 2023	1,531,313	3,716,829	-	-	-	-	-	5,248,142
Net Book Values as at June 2023	2,552,188	881,211	11,930,000	-	-	-	9,409,265	24,772,663

The WIP amount relates to development of ERP system and development projects which are Moisbridge Matunda and Soi Kosachei water supplies.

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Notes to the Financial Statements (Continued)

Valuation

The Agency currently does not own land or building hence no valuation has been carried out.

34 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	11,930,000	-	11,930,000
Computers And Related Equipment	4,598,040	3,716,829	881,211
Office Equipment, Furniture, And Fittings	4,083,500	1,531,313	2,552,188
Total	20,611,540	5,248,142	15,363,398

Note. The Agency uses straight line method of depreciation as per the Agency financial procedure manual.

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	-	-
Computers and Related Equipment	-	-
Office Equipment, Furniture and Fittings	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

35. Intangible Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	-	-
At end of the year	-	-
Additions–internal development	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

36. Investment Property

Description	2022-2023	2021-2022
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

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37. Trade and Other Payables

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Trade payables	5,356,760		4,617,150	
Payments received in advance	-		-	
Employee payables	1,613,525		217,205	
Third-party payments	-		-	
Other payables	-		-	
Total trade and other payables	6,970,285		4,834,355	
Ageing analysis: (Trade and other payables)	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	5,922,980	%	4,834,355	%
1-2 years	365,600	%	-	%
2-3 years	681,705	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	6,970,285		4,834,355	

The trade payables relate to retention money owed to contractors and paid upon completion of the projects. Additionally, it relates to accrued electricity and water bills as well as accrued gratuity paid upon end of contract for CEO

38. Refundable Deposits and Prepayments from Customers

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Customer deposits	-		-	
Prepayments	-		-	
Other deposits	-		-	
Total deposits	-		-	
Ageing analysis: (Refundable deposits)	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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Notes to the Financial Statements (Continued)

39. Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	-	-
Additional provisions	-	-	-	-	-
Provision utilised	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Transfers from non-current provisions	-	-	-	-	-
Total provisions year end	-	-	-	-	-

40. Finance Lease Obligation

Description	2022-2023	2021-2022
	Kshs	Kshs
At the start of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

Period	Amount (Kshs)
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 And Onwards	-
Less: Unearned Interest	-
Total	-

Analysed as:

Description	Amount (Kshs)
Current	-
Non- Current	-
Total	-

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Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

41. Deferred Income

Description	2022-2023	2021-2022
	Kshs	Kshs
National Government	-	-
International Funders	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	-	-	-	-
Additions	-	-	-	-
Transfers to Capital Fund	-	-	-	-
Transfers to Income Statement	-	-	-	-
Other Transfers	-	-	-	-
Balance Carried Forward	-	-	-	-

42. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Opening balance as at 1 st July				217,205	0
Current Benefit Obligation	-	-	-	1,396,320	217,205
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	-	-	-	1,613,525	217,205

Retirement benefit Asset/ Liability

The Agency during the financial year did not have staff on permanent and pensionable terms therefore it did not have defined scheme however upon recruitment of new staff the Agency will operate a defined benefit scheme for all full-time employees. Since the Agency did not have a pension scheme, actuarial valuation was not done

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Description	2022-2023	2021-2022
Discount Rates	0%	0%
Future Salary Increases	0%	0%
Future Pension Increases	0%	0%
Mortality (Pre- Retirement)	0%	0%
Mortality (Post- Retirement)	0%	0%
Withdrawals	0%	0%
Ill Health	0%	0%
Retirement	0 years	0 years

Recognition of Retirement Benefit Asset/ Liability

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	2022-2023	2021-2022
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others (specify)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

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Notes to the Financial Statements (Continued)

b) Amounts recognised in the Statement of Financial Position

	2022-2023	2021-2022
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded Status(=a-b)	-	-
Restrictions on asset recognised	-	-
Others	-	-
Net Asset or liability arising from defined benefit obligation	-	-

The Agency also contribute to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Agency's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.1,080 per employee per month. Other than NSSF the Agency will also contribute to a defined benefits scheme once established or may join the water sector pension which is currently operational Employees contribute will 7.5% while employers contribute 15% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred

43. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity provisions	Other Provisions	Total
	KShs		KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-	-
Additional Provisions	-	-	-	-	-
Provision utilised	-	-	-	-	-
Change due to discount and time value for money	-	-	-	-	-
Less: Current portion	-	-	-	-	-
Balance at the end of the year	-	-	-	-	-

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Notes to the Financial Statements (Continued)

44. Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
a) External borrowings		
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-
b) Domestic borrowings		
Balance at beginning of the year	-	-
Domestic borrowings during the year	-	-
Repayments during the year	-	-
Balance at end of the year	-	-
Balance at end of the period- domestic and External borrowings c = a+b	-	-

The analyses of both external and domestic borrowings are as follows:

	2022-2023	2021-2022
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organisation'	-	-
Sterling Pound Denominated Loan From 'Y Organisation'	-	-
Euro Denominated Loan from Z Organisation'	-	-
Domestic Borrowings	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Total Balance at End Of The Year	-	-

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Description	2022-2023	2021-2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

45. Service Concession Arrangements

Description	2022-2023	2021-2022
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

46. Social Benefit Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Disability social benefits	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

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Notes to the Financial Statements (Continued)

47. Surplus Remission (for category 3 entities)

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Agency did not make any surplus during the year and hence no remittance to the Consolidated Fund.

The Surplus Remission has been computed as follows:

Description	2022-2023	2021-2022
	Kshs	Kshs
Surplus for the period	-	-
Less: Allowable deductions by NT	-	-
90% Computation (Included in Statement of Financial Performance)	-	-

Surplus Remission Payable

Description	2022-2023	2021-2022
	Kshs	Kshs
Payable at the beginning of the year	-	-
Paid during the year	-	-
Payable at end of the year	-	-

48. Taxation

Description	2022-2023	2021-2022
	Kshs	Kshs
At beginning of the year	-	-
Income tax charge for the year (note 27)	-	-
Under/(over) provision in prior year/s (note 27)	-	-
Income tax paid during the year	-	-
At end of the year	-	-

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Notes to the Financial Statements (Continued)

49. Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

Description	2022-2023	2021-2022
	Kshs	Kshs 2021-2022
Accelerated capital allowances	-	-
Unrealised exchange gains/(losses)	-	-
Revaluation surplus	-	-
Tax losses carried forward	-	-
Provisions for liabilities and charges	-	-
Net deferred tax liability/(asset)	-	-
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	-	-
Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
Balance at end of the year	-	-

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Notes to the Financial Statements (Continued)

50. Cash Generated from Operations

Description	2022-2023	2021-2022
	Kshs	Kshs
Surplus for the year before tax	(8,418,333)	62,855,856
Adjusted for:		
Depreciation	2,041,585	2,041,585
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance income	-	-
Finance cost	-	-
Working capital adjustments		
Increase in inventory	(661,504)	-
Increase in receivables	(11,598,703)	(426,000)
Increase in deferred income	-	-
Increase in payables	2,135,930	288,005
Increase in payments received in advance	-	-
Net cash flow from operating activities	(16,501,025)	64,759,446

51. Financial Risk Management

The Agency's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Agency's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Agency does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Agency's financial risk management objectives and policies are detailed below:

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i) Credit risk

The Agency has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Agency's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Agency's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June (2023)				
Receivables from exchange transactions	12,024,703	12,024,703	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	228,269,576	228,269,576	-	-
Total	240,294,279	240,294,279	-	-
As at 30 June (2022)	-	-	-	-
Receivables from exchange transactions	426,000	426,000	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	173,760,318	173,760,318	-	-
Total	174,186,318	174,186,318	-	-

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Notes to the Financial Statements (Continued)

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Agency has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from contractors. The board of directors sets the Agency's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Agency's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Agency manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Agency under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2023				
Trade payables	1,760,637	235,640	3,360,483	5,356,760
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	116,360	232,720	1,264,445	1,613,525
Total	1,876,997	468,360	4,624,928	6,970,285
As at 30th June 2022				
Trade payables	1,551,222	675,917	2,390,011	4,617,150
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	116,360	100,845		217,205
Total	1,667,582	776,762	2,390,011	4,834,355

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

The Agency has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Agency's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Agency's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Agency has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Agency manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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Financial Risk Management

Financial Risk Management

The carrying amount of the Agency's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

FY 2023

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2023			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

FY2022

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2022			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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Financial Risk Management

The following table demonstrates the effect on the Agency's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY			
Euro	10%	-	-
USD	10%	-	-
Previous FY			
Euro	10%	-	-
USD	10%	-	-

b) Interest rate risk

Interest rate risk is the risk that the Agency's financial condition may be adversely affected as a result of changes in interest rate levels. The Agency's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Agency's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Financial Risk Management

Sensitivity analysis

The Agency analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 Current FY: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (Current FY – Kshs 0)

Notes to the Financial Statements (Continued)

Financial Risk Management

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Agency's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Agency considers relevant and observable market prices in its valuations where possible.

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Financial Risk Management

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2023				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-
As at 30th June 2022				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land And Buildings	-	-	-	-
Total	-	-	-	-

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

The objective of the Agency's capital risk management is to safeguard the Agency's ability to continue as a going concern. The Agency capital structure comprises of the following funds:

Description	2022-2023	2021-2022
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	104,283,003	110,659,751
Capital Reserve	154,475,158	66,516,743
Total Funds	258,758,161	177,176,494
Total Borrowings	-	-
Less: Cash and Bank Balances	228,269,703	173,760,318
Net Debt/(Excess Cash And Cash Equivalents)	(228,269,703)	(173,760,318)
Gearing	0%	0%

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Notes to the Financial Statements (Continued)

52. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Agency include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the Agency, holding 100% of the Agency's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Agency, both domestic and external.

Other related parties include:

- i. The Parent Ministry.
- ii. County Governments
- iii. Other SCs and SAGAs
- iv. WASREB
- v. OAG
- vi. Key Management
- vii. Board of directors.

Description	2022-2023	2021-2022
	Kshs	Kshs
Transactions with related parties		
A) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. Agencies	-	-
Water sales to govt. Agencies	-	-
Others (specify) e.g., interest and bank charges	-	-
Total	-	-
B) purchases from related parties		
Purchases of electricity from KPLC	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	4,663,200	4,663,200
Training and conference fees paid to govt. Agencies	-	-
Others	-	-
Total	4,663,200	4,663,200
C) Grants /transfers from the government		
Transfer from Ministry of Water, Sanitation and Irrigation	200,760,998	235,982,418
Transfer from Central Rift Valley Water Works Development Agency Board	4,262,821	6,957,800

**North Rift Valley Water Works Development Agency
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Description	2022-2023	2021-2022
	Kshs	Kshs
Transfer from Lake Victoria North Water Works Development Agency	8,864,935	8,454,168
Transfer from Athi Water Services Board	204,900	5,243,356
Total	214,093,654	256,637,742
D)Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
Total		
Key management compensation		
Directors' emoluments	14,123,576	13,150,075
Compensation to key management	12,390,512	11,549,727
Total	26,514,088	24,699,802

53. Segment Information

The Agency does not operate in different geographical regions or in departments and therefore there is no segmental reporting.

54. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	-	-
Assets Arising from Determination Of Court Cases	-	-
Reimbursable Indemnities and Guarantees	-	-
Receivables From Other Government Entities	-	-
Others (Specify)	-	-
Total	-	-

The Agency did not have any contingent asset during the financial year

Contingent Liabilities

Description	2022-2023	2021-2022
	Kshs	Kshs
Contingent Liabilities	-	-
Court Case xx against the Entity	-	-
Bank Guarantees in Favour of Subsidiary	-	-
Contingent Liabilities arising from Contracts Including PPPs	-	-
Others (Specify)	-	-
Total	-	-

The Agency did not have any contingent liability during the financial year

**North Rift Valley Water Works Development Agency
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Notes to the Financial Statements (Continued)

55. Capital Commitments

Capital Commitments	2022-2023	2021-2022
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	1,921,422,451	-
Total	-	-

The amount relates to contract for construction of Moisbridge-Matunda water supply project

56. Events after the Reporting Period

There were no material adjusting and non- adjusting events after the reporting period.

57. Ultimate And Holding Entity

The Agency is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Water, Sanitation and Irrigation. Its ultimate parent is the Government of Kenya.

58. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

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20. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

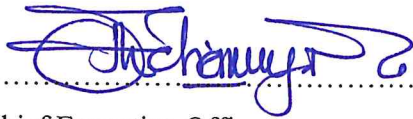
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p>The statement of financial position reflects property, plant and equipment balance of Kshs.7,824,531 which includes Furniture and Fittings, Computers and Capital Work in Progress balances of Kshs.3,062,625, Kshs.2,412,358 and Kshs.2,349,548 respectively as disclosed in Note no. 33 to the financial statements. However, physical verification revealed that the assets of the Agency were not tagged for ease of identification and tracking.</p> <p>Under this circumstance, the accuracy and completeness of the property, plant and equipment balance of Kshs.7,824,531 could not be confirmed.</p>	The assets have been tagged	Issue resolved	
2.	<p>The statement of comparison of budget and actual amounts for the year ended 30 June, 2022 reflects final receipts budget and actual on comparable basis of Kshs.193,850,195 and Kshs.193,850,195 respectively. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.193,850,195 and Kshs.130,994,339 respectively resulting to an under-expenditure of Kshs.62,855,856 or 32% of the budget.</p> <p>The under-funding and under-expenditure may have affected the planned activities and impacted negatively on service delivery to the public.</p>	The Agency will continue to liaise with the ministry to ensure timely disbursements of funds	Issue not resolved	31 st December 2023
3.	<p>Kosich - Embobut Water Supply Project Examination of the documents provided revealed a payment of kshs.2,843,133 to a firm for construction of Kosich-Embobut Water Supply Project (Contract No. NRV/KOS-EMB/EMC/08/2020-2021).</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>recovery plan (DRP) and IT security policy that are vital in effective and efficient management of the entity's IT resources. Further, the Agency did not have an IT steering committee which is important in performing oversight function and formulation of policies to ensure that IT department functions effectively to assist in achievement of organizational objectives in an economic, efficient and effective manner. In addition, the Agency did not have periodic IT reports which are supposed to assess the status of implementation of IT systems and suggest corrective measures. In the circumstances, business continuity may not be possible incase of a disaster.</p>	<p>has developed Human Resource Instruments which have since been approved by State Corporations Advisory Committee (SCAC) which will now be used to seek budgetary allocations during the next cycle of budgets. This will aid in employing new staff and priority has been given to ICT in order to implement the recommendations of the Audit.</p>		
8.	<p>Lack of Internal Audit Function and an Audit Committee</p> <p>The Agency has not established an internal audit function and an Audit Committee of the Board. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provides for the establishment of the internal audit function and an Audit Committee.</p> <p>In the circumstance, the Agency did not benefit from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.</p> <p>The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.</p>	<p>The Agency does not have Internal Audit Section however we have been using the services of the Internal Auditor from central Rift Valley Water Works Development Agency. The auditor has been carrying out audits on a quarterly basis and present the reports to the Audit committee of the Board during the quarterly meetings. On Audit committee, the Audit and Risk Committee of the Board was constituted on 27th May 2021 during the full board meeting along with other board committees. The establishment of the committee was based on Mwongozo</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		<p>guidelines which provide guidance on the operations of Boards in State Corporations. The functions of the Audit and Risk Committee are outlined in the Committee charter.</p>		



Chief Executive Officer

Date: 11/2/2023

North Rift Valley Water Works Development Agency
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Appendix II: Projects implemented by North Rift Valley Water Works Development Agency

a) Rural Water Supply Projects

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)
Rurigi sub location primary school borehole		GoK	2022-23	8,000,000	No	Yes
Chemurgui primary school		GoK	2022-23	8,000,000	No	Yes
Nakwemekwi I and II boreholes Kopeto primary school borehole		GoK	2022-23	9,000,000	No	Yes
Chepchor water pan		GoK	2022-23	10,000,000	No	Yes
Moiben/Kuserwo water project		GoK	2022-23	10,000,000	No	Yes
Lokichar IDP water project		GoK	2022-23	8,000,000	No	Yes
Nakurio girls secondary school borehole		GoK	2022-23	8,000,000	No	Yes
Liter Girls water project		GoK	2022-23	25,000,000	No	Yes
Kamoret project		GoK	2022-23	16,000,000	No	Yes
Tot water supply		GoK	2021-22	60,000,000	Yes	No
Kosich phase II		GoK	2021-22	18,000,000	Yes	No

b) Capital Projects

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)
Moisbridge Matunda water supply project		GoK	2022-23	2,000,000,000	No	Yes
Soy-Kosachei Water Supply Project		GoK	2022-23	800,000,000	No	Yes
ERP system		GoK	2021-22	3,130,144	No	Yes

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Status of Projects completion

1. Rural Water Supply Projects

These are small rural water supply projects which are directly expensed and are not taken to Work in Progress.

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Source of funds
1.	Rurigi sub location primary school borehole	Split into two stage contracts i.e- Stage 1: Drilling, test pumping and capping- 2,499,750 Stage II- Equipping and Civil works- Not yet awarded	-	30	8,000,000	2,000,000	GoK
2.	Chemurgui primary school	Split into two stage contracts i.e- Stage 1: Drilling, test pumping and capping- 2,853,300 Stage II- Equipping and Civil works- Not yet awarded	1,800,000	30	8,000,000	2,000,000	GoK
3.	Nakwemekwi I and II boreholes Kopeto primary school borehole	8,941,900	-	100	9,000,000	2,250,000	GoK
4.	Chepchor water pan	9,434,034.50	-	45	10,000,000	2,500,000	GoK
5.	Moiben/Kuserwo water project	8,950,000	2,332,846	60	10,000,000	2,500,000	GoK
6.	Lokichar IDP water project	Split into two stage contracts i.e- Stage 1: Drilling, test pumping and capping- 2,962,300 Stage II- Equipping and Civil works- Not yet awarded	-	5	8,000,000	2,500,000	GoK
7.	Nakurio girls secondary school borehole	8,200,005	-	100	8,000,000	2,000,000	GoK
8.	Liter Girls water project	27,900,455	-	45	25,000,000	2,000,000	GoK
9.	Kamoret project	11,454,300	-	90	16,000,000	0	GoK
10.	Tot water supply	52,317,457	8,875,230	35	60,000,000	30,000,000	GoK
11.	Kosich phase II	17,904,983	2,749,473	15	18,000,000	18,000,000	GoK
12.	Marakalo Lobei water pan	11,664,147	2,817,970	100	15,000,000	15,000,000	GoK

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SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
13.	Flax Dispensary borehole	7,593,190	2,669,740	100	7,500,000	4,830,333	GoK
14.	Kakiteitei water pan	8,884,529	6,645,754	100	10,000,000	10,000,000	GoK
15.	Tulwet dispensary borehole	8,276,180	4,032,459	100	8,000,000	5,080,334	GoK
16.	Rukuini dispensary borehole	8,226,680	4,434,754	100	8,000,000	8,000,000	GoK
17.	Merur water pan	9,248,118	2,254,525	100	10,000,000	10,000,000	GoK
18.	Chepareria subcounty hospital borehole	7,066,836	7,000,114	100	7,500,000	3,750,000	GoK

2. Status of Capital Projects

These are capital projects which are under Work in Progress and are capitalized once they are complete.

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1.	Moi's bridge Matunda water supply project	2,000,000,000	7,882,508	3	2,000,000,000	40,000,000	GoK
2.	Soy-Kosachei Water Supply Project	800,000,000	587,714	1	800,000,000	50,000,000	GoK
3.	Sage ERP system	3,130,144	939,043	80	3,130,144	3,130,144	GoK

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Appendix IV: Transfers from Other Government Entities

Name of the MIDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/D development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized					Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific		
Ministry of Water, Sanitation and Irrigation	04-08-22	Recurrent	5,416,667	5,416,667						5,416,667
Ministry of Water, Sanitation and Irrigation	16-09-22	Recurrent	5,416,667	5,416,667	-	-	-	-	-	5,416,667
Ministry of Water, Sanitation and Irrigation	05-10-22	Recurrent	5,416,666	5,416,666	-	-	-	-	-	5,416,666
Ministry of Water, Sanitation and Irrigation	07-10-22	Recurrent	15,250,000	15,250,000						15,250,000
Ministry of Water, Sanitation and Irrigation	07-10-22	Recurrent	5,416,667	5,416,667	-	-	-	-	-	5,416,667
Ministry of Water, Sanitation and Irrigation	31-12-22	Recurrent	5,416,667	5,416,667	-	-	-	-	-	5,416,667
Ministry of Water, Sanitation and Irrigation	05-01-22	Recurrent	5,416,666	5,416,666	-	-	-	-	-	5,416,666
Ministry of Water, Sanitation and Irrigation	07-02-22	Recurrent	5,416,667	5,416,667	-	-	-	-	-	5,416,667
Ministry of Water, Sanitation and Irrigation	23-03-23	Recurrent	833,333	833,333	-	-	-	-	-	833,333
Ministry of Water, Sanitation and Irrigation	31-03-23	Recurrent	4,583,333	4,583,333	-	-	-	-	-	4,583,333
Ministry of Water, Sanitation and Irrigation	14-04-23	Recurrent	5,416,667	5,416,667	-	-	-	-	-	5,416,667
Ministry of Water, Sanitation and Irrigation	06-06-23	Recurrent	5,416,667	5,416,667						5,416,667
Ministry of Water, Sanitation and Irrigation	06-06-23	Recurrent	5,416,666	5,416,666						5,416,666

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized						Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific		
Ministry of Water, Sanitation and Irrigation	30-06-23	Recurrent	5,416,667	5,416,667	-	-	-	-	-	5,416,667
Ministry of Water, Sanitation and Irrigation	30-06-23	Recurrent	25,000,000	25,000,000	-	-	-	-	-	25,000,000
Ministry of Water, Sanitation and Irrigation	30-06-23	Development	90,000,000	-	90,000,000	-	-	-	-	90,000,000
Ministry of Water, Sanitation and Irrigation	31-07-22	Recurrent	424,700.00	424,700.00	-	-	-	-	-	424,700.00
Ministry of Water, Sanitation and Irrigation	31-08-22	Recurrent	424,700.00	424,700.00	-	-	-	-	-	424,700.00
Ministry of Water, Sanitation and Irrigation	30-09-22	Recurrent	625,248.00	625,248.00	-	-	-	-	-	625,248.00
Ministry of Water, Sanitation and Irrigation	31-10-22	Recurrent	445,150.00	445,150.00	-	-	-	-	-	445,150.00
Ministry of Water, Sanitation and Irrigation	30-11-22	Recurrent	445,150.00	445,150.00	-	-	-	-	-	445,150.00
Ministry of Water, Sanitation and Irrigation	31-12-22	Recurrent	475,150.00	475,150.00	-	-	-	-	-	475,150.00
Ministry of Water, Sanitation and Irrigation	31-01-23	Recurrent	445,150.00	445,150.00	-	-	-	-	-	445,150.00
Ministry of Water, Sanitation and Irrigation	28-02-23	Recurrent	445,150.00	445,150.00	-	-	-	-	-	445,150.00
Ministry of Water, Sanitation and Irrigation	31-03-23	Recurrent	445,150.00	445,150.00	-	-	-	-	-	445,150.00
Ministry of Water, Sanitation and Irrigation	30-04-23	Recurrent	445,150.00	445,150.00	-	-	-	-	-	445,150.00
Ministry of Water, Sanitation and Irrigation	31-05-23	Recurrent	445,150.00	445,150.00	-	-	-	-	-	445,150.00

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/D evelopment/ Others	Total Amount - KES	Where Recorded/recognized						Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific		
Ministry of Water, Sanitation and Irrigation	30-06-23	Recurrent	445,150.00	445,150.00	-	-	-	-	-	445,150.00
Lake Victoria North Water Works Development Agency	31-07-22	Recurrent	702,605.00	702,605.00	-	-	-	-	-	702,605.00
Lake Victoria North Water Works Development Agency	31-08-22	Recurrent	683,966.00	683,966.00	-	-	-	-	-	683,966.00
Lake Victoria North Water Works Development Agency	30-09-22	Recurrent	683,966.00	683,966.00	-	-	-	-	-	683,966.00
Lake Victoria North Water Works Development Agency	31-10-22	Recurrent	683,966.00	683,966.00	-	-	-	-	-	683,966.00
Lake Victoria North Water Works Development Agency	30-11-22	Recurrent	683,966.00	683,966.00	-	-	-	-	-	683,966.00
Lake Victoria North Water Works Development Agency	31-12-22	Recurrent	734,342.00	734,342.00	-	-	-	-	-	734,342.00
Lake Victoria North Water Works Development Agency	31-01-23	Recurrent	703,454.00	703,454.00	-	-	-	-	-	703,454.00
Lake Victoria North Water Works Development Agency	28-02-23	Recurrent	781,854.00	781,854.00	-	-	-	-	-	781,854.00

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/D development/ Others	Total Amount - KES	Where Recorded/recognized						Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific		
Lake Victoria North Water Works Development Agency	31-03-23	Recurrent	1,090,742.00	1,090,742.00	-	-	-	-	-	1,090,742.00
Lake Victoria North Water Works Development Agency	30-04-23	Recurrent	711,854.00	711,854.00	-	-	-	-	-	711,854.00
Lake Victoria North Water Works Development Agency	31-05-23	Recurrent	711,854.00	711,854.00	-	-	-	-	-	711,854.00
Lake Victoria North Water Works Development Agency	30-06-23	Recurrent	692,366.00	692,366.00	-	-	-	-	-	692,366.00
Central Rift Valley Water Works Development Agency	31-07-22	Recurrent	449,000.00	449,000.00	-	-	-	-	-	449,000.00
Central Rift Valley Water Works Development Agency	31-08-22	Recurrent	359,000.00	359,000.00	-	-	-	-	-	359,000.00
Central Rift Valley Water Works Development Agency	30-09-22	Recurrent	359,000.00	359,000.00	-	-	-	-	-	359,000.00
Central Rift Valley Water Works Development Agency	31-10-22	Recurrent	359,000.00	359,000.00	-	-	-	-	-	359,000.00
Central Rift Valley Water Works Development Agency	30-11-22	Recurrent	359,000.00	359,000.00	-	-	-	-	-	359,000.00

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/D evelopment/ Others	Total Amount - KES	Where Recorded/recognized						Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific		
Central Rift Valley Water Works Development Agency	31-12-22	Recurrent	359,000.00	359,000.00	-	-	-	-	-	359,000.00
Central Rift Valley Water Works Development Agency	31-01-23	Recurrent	359,000.00	359,000.00	-	-	-	-	-	359,000.00
Central Rift Valley Water Works Development Agency	28-02-23	Recurrent	315,607.00	315,607.00	-	-	-	-	-	315,607.00
Central Rift Valley Water Works Development Agency	31-03-23	Recurrent	314,000.00	314,000.00	-	-	-	-	-	314,000.00
Central Rift Valley Water Works Development Agency	30-04-23	Recurrent	314,000.00	314,000.00	-	-	-	-	-	314,000.00
Central Rift Valley Water Works Development Agency	31-05-23	Recurrent	314,000.00	314,000.00	-	-	-	-	-	314,000.00
Central Rift Valley Water Works Development Agency	30-06-23	Recurrent	402,214.00	402,214.00	-	-	-	-	-	402,214.00
Athi Water Works Development Agency	31-01-23	Recurrent	34,150.00	34,150.00	-	-	-	-	-	34,150.00
Athi Water Works Development Agency	28-02-23	Recurrent	34,150.00	34,150.00	-	-	-	-	-	34,150.00
Athi Water Works Development Agency	31-03-23	Recurrent	34,150.00	34,150.00	-	-	-	-	-	34,150.00

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized						Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific		
Athi Water Works Development Agency	30-04-23	Recurrent	34,150.00	34,150.00	-	-	-	-	-	34,150.00
Athi Water Works Development Agency	31-05-23	Recurrent	34,150.00	34,150.00	-	-	-	-	-	34,150.00
Athi Water Works Development Agency	30-06-23	Recurrent	34,150.00	34,150.00	-	-	-	-	-	34,150.00
TOTAL			214,093,654.00	124,093,654.00	90,000,000.00	-	-	-	-	214,093,654.00

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Appendix V- Inter-Entity Confirmation Letter



Enhanced Access to Safe Water

**North Rift Valley Water Works Development Agency
P.O. Box 1012-30100, Eldoret**

The Agency wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30th June (Current FY)			Amount Received by [beneficiary Entity] (Kshs) as at 30 th June (Previous FY) (E)	Differences (Kshs) (F)=(D-E)
	Recurrent (A)	Development (B)	Inter-Ministerial (C)		
Total					

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Entity:

Name SignDate

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Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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Appendix VII: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

